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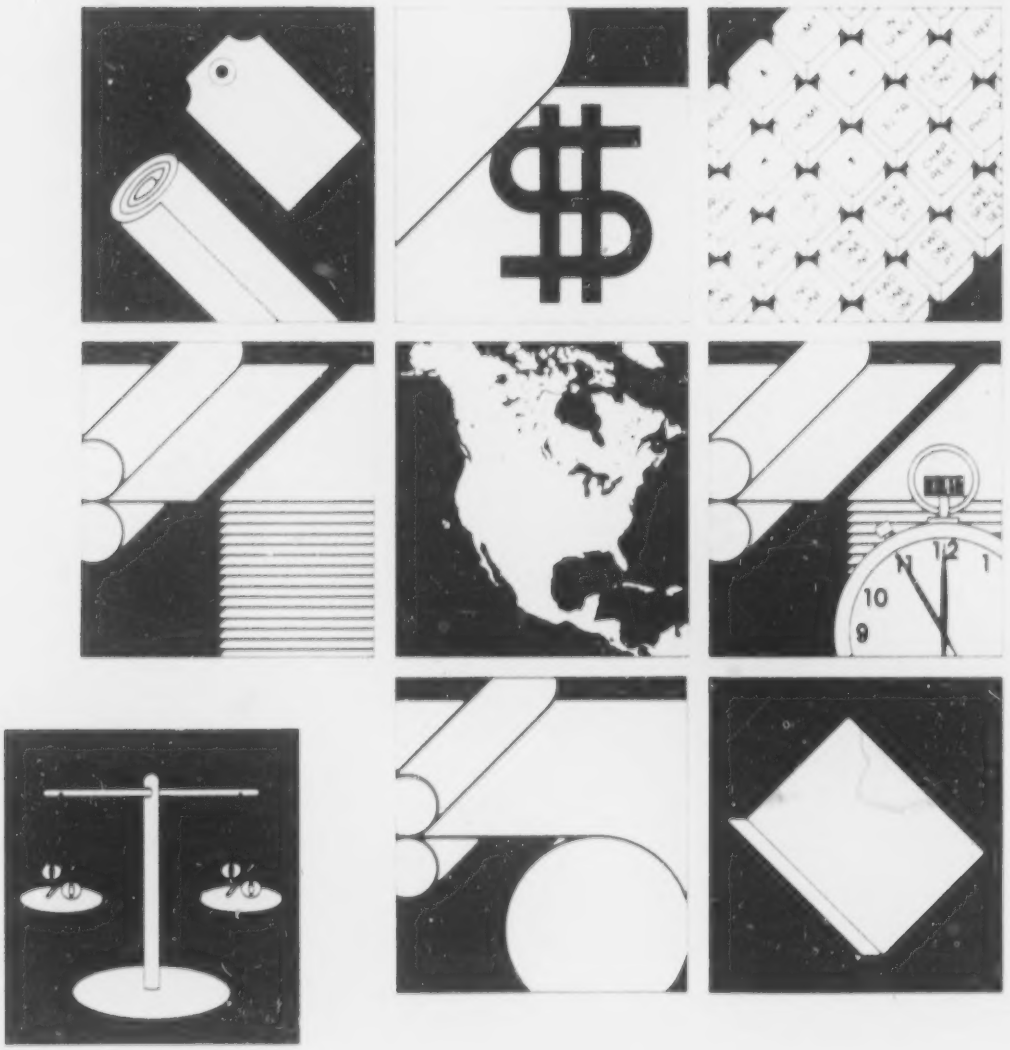
1987 Financial Ratio Study



Volume VII

Web Offset Printers—Non-Heatset

Volume VII: Web Offset Printers—Non-Heatset

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

Edited and Prepared by:

H. R. Margolis
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Computed by:

RGS Enterprises, Inc.
1 Carlisle Drive
Arnold, MD 21012

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PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 43 Non-Heatset Web Offset Printers across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales to $1.5 million, sales from $1.5 to $5 million, etc.; and by product specialty - for example, Commercial and Advertising, Newspaper, etc. Readers can compare their firm's operations with other firms having the same sales volume or product specialty in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. Margolis Company

H. R. MARGOLIS COMPANY

Table of Contents

	Page Number
FOREWORD	2
VALUE ADDED -- WHAT IT MEANS TO YOU	4- 5
CHAPTER 1 - BY SIZE OF FIRM	6-19
Report on Operations - Value Added = 100%	6- 7
Supporting Schedules - Value Added = 100%	8- 9
Report on Operations - Sales = 100%	10-11
Supporting Schedules - Sales = 100%	10-13
Balance Sheet	14-15
Significant Facts	16-17
Return on Investment - Per $100 of Sales	18-19
CHAPTER 2 - BY PRODUCT SPECIALTY	20-33
Report on Operations - Value Added = 100%	20-21
Supporting Schedules - Value Added = 100%	22-23
Report on Operations - Sales = 100%	24-25
Supporting Schedules - Sales = 100%	24-27
Balance Sheet	28-29
Significant Facts	30-31
Return on Investment - Per $100 of Sales	32-33
ABSOLUTE DATA	34

Congratulations on partaking of the web offset ratio study program. I'm sure that as you review the wealth of information contained in the book that you will find it to be a very rewarding exercise.

Ten years ago PIA formed a special section for non-heatset web offset printers. The activities of the Non-Heatset Web Unit have increased significantly.

Our publication *SNAP* (Specifications for Non-Heat Advertising printing), published in October, 1984, includes pigmentation standards for process inks, recommended ink film densities, screen rulings, stock brightness, opacity and hue standards, type, reverses and proofing standards. It is printed on three types of stock. These are being up-dated in 1987. In addition, we publish the *Non-Heatset Web Offset Directory* which lists non-heatset web offset printers in the United States and Canada. In conjunction with the Web Offset Section, we publish the *Market Outlook For Web Offset Printers*, *A Waste and Spoilage Report* and a *Product Catalog*, which include both non-heatset and heatset printers.

Our Graphic Arts Awards Competition for non-heatset printers is held in conjunction with the Annual Meeting. This year's Annual Meeting will be held November 8-11, 1987, Hotel Inter-Continental, Hilton Head Island, SC.

Edward W. Hill, Jr.
Executive Director
Non-Heatset Unit

VALUE ADDED DEFINED

Value added is a technical term for sales of a company's own manufacture. It is calculated as sales less material costs and outside services.

Sales		$100.00
Less: Materials		
Paper	$ 23.00	
Other chargeable materials	5.00	
Outside services	8.00	36.00
Value Added		$ 64.00

Material costs include paper and other chargeable materials such as ink, film, plates etc., but not general supplies or the repair and maintenance of equipment. Outside services are purchases of job-related services - composition, offset preparation, printing, bindery, etc.

Value added financial management is based on a fundamental principle of accounting: Profit is achieved from sales of a company's own manufacture. Time and time again, when printing companies show high sales but low profits, the root of the problem is in the failure to pay attention to the relationship between value added and profit performance.

VALUE ADDED AND PROFITS

Since value added is sales less material costs, it becomes a critical factor in paying your remaining expenses - expenses such as factory labor, other factory expenses, administrative expenses, selling expenses, and interest.

What is left is profit.

All sales do not contribute equally to fixed costs and profits. There are "good sales" and "better sales." Good sales are sales that require more than an average amount of materials and outside services. As a result, they have less value added with which to cover fixed costs and to produce a profit. They are called "good sales" simply because there are no "bad sales" in the printing industry.

Better sales require fewer materials and more inside sales - sales of your company's own manufacture. This type of sale generously covers overhead and pays more dollars into profits. Printing firms that follow value added financial management procedures do all work inside unless they cannot avoid sending it out.

A VALUE ADDED STATEMENT OF OPERATIONS

In keeping with the value added concept, operating statements are more meaningful when prepared on the basis of inside sales. In this type of statement presentation, management starts its financial analysis with value added instead of the sales column. This eliminates the distortion introduced by material costs. For example, in comparing percentages based on sales of a short-run, sheet-fed company and a web offset firm, we could be faced with a significant difference in ratios because of differences in material costs. Although it would appear that the web offset operation had a lower factory labor cost because a substantial amount of its sales were materials, this might, in fact, not be the case at all. Instead the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

	COMPANY S SHEET-FED		COMPANY W WEB-FED	
		% OF SALES		% OF SALES
SALES	$1,000,000	100.00%	$1,000,000	100.00%
MATERIALS				
Paper	197,300	19.73	387,900	38.79
Other chargeable materials	42,800	4.28	35,000	3.50
Outside services	87,900	8.79	30,000	3.00
	328,000	32.80	452,900	45.29
		% OF VALUE ADDED		% OF VALUE ADDED
VALUE ADDED	672,000	100.00%	547,100	100.00%
FACTORY PAYROLL	241,800	35.98	177,500	32.44
FACTORY EXPENSES	121,800	18.13	101,300	18.52
	363,600	54.11	278,800	50.96
GROSS PROFIT	308,400	45.89	268,300	49.04
SELLING AND ADMINISTRATIVE EXPENSES	187,500	27.90	141,700	25.90
INCOME BEFORE INTEREST EXPENSE	120,900	17.99	126,600	23.14
Interest expense	18,300	2.72	7,900	1.44
OPERATING INCOME	102,600	15.27	118,700	21.70
Other income	10,200	1.52	16,200	2.96
INCOME BEFORE INCOME TAXES	$ 112,800	16.79%	$ 134,900	24.66%

The point is that every company's product mix is different, and by using statements of operations based on value added, this product mix difference is eliminated. Consequently, value added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	42.89	35.31	59.82
FACTORY EXPENSES	23.73	22.63	40.87
TOTAL FACTORY COST OF PRODUCT	66.62	57.94	100.69
GROSS PROFIT (LOSS)	33.38	42.06	(0.69)
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.37	12.55	11.07
Selling expenses	10.74	11.43	4.70
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.11	23.98	15.77
INCOME (LOSS) BEFORE INTEREST EXPENSE	8.27	18.08	(16.46)
Interest expense	3.30	2.52	0.91
OPERATING INCOME (LOSS)	4.97	15.56	(17.37)
Other income	1.02	1.94	2.74
INCOME (LOSS) BEFORE INCOME TAXES	5.99	17.50	(14.63)

* See page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
X	X	X	X	X	X	X
X	X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
41.87	33.32	42.55	36.39	43.08	35.17	33.80
24.91	28.72	22.37	21.55	21.36	20.03	18.29
66.78	62.04	64.92	57.94	64.44	55.20	52.09
33.22	37.96	35.08	42.06	35.56	44.80	47.91
17.21	13.53	14.58	12.26	13.11	12.29	11.15
8.32	4.71	10.68	15.51	10.25	10.48	24.00
25.53	18.24	25.26	27.77	23.36	22.77	35.15
7.69	19.72	9.82	14.29	12.20	22.03	12.76
4.53	2.19	2.36	1.53	4.10	4.05	2.31
3.16	17.53	7.46	12.76	8.10	17.98	10.45
0.56	1.90	1.46	2.64	0.65	1.02	0.71
3.72	19.43	8.92	15.40	8.75	19.00	11.16

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.71%	3.56%	5.06%
Direct wages	26.89	21.79	47.25
General factory salaries and wages	4.17	3.39	1.26
Packing, shipping and delivery wages	1.89	1.17	0.85
Payroll taxes	2.53	2.08	3.53
Employee benefits	3.70	3.32	1.87
TOTAL FACTORY PAYROLL	42.89	35.31	59.82
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.46	0.28	0.00
Depreciation - other	5.04	5.37	2.89
Taxes - real estate	0.39	0.22	1.07
Taxes - other	0.27	0.48	0.06
Insurance	0.73	0.74	1.10
Building rent	2.76	2.67	8.75
Utilities - heat, light, etc.	2.03	1.66	3.70
Equipment rental	2.00	1.06	9.95
Total Fixed Expenses	13.68	12.48	27.52
Other Expenses			
Factory supplies and expense	2.89	2.49	4.45
Packing, shipping and delivery expense	3.09	2.46	1.72
Repairs and maintenance	2.70	2.52	5.07
Other factory expenses	1.37	2.68	2.11
Total Other Expenses	10.05	10.15	13.35
TOTAL FACTORY EXPENSES	23.73	22.63	40.87
ADMINISTRATIVE EXPENSES			
Salaries - executive	3.91	3.85	3.15
Salaries - office	3.30	2.33	3.66
Payroll taxes	0.46	0.42	0.29
Employee benefits	0.73	0.88	0.12
Bad debts	0.46	0.62	0.34
Office supplies and expenses	0.69	0.46	0.90
Professional fees	0.92	0.81	1.03
Taxes - business	0.18	0.18	0.14
Telephone	0.69	0.69	0.52
Other administrative expenses	3.03	2.31	0.92
TOTAL ADMINISTRATIVE EXPENSES	14.37	12.55	11.07
SELLING EXPENSES			
Salaries - executive	1.67	1.41	1.17
Salaries and commissions - salesmen	4.55	5.84	0.00
Salaries - sales office clerical	0.89	1.03	0.00
Payroll taxes	0.34	0.39	0.03
Employee benefits	0.42	0.60	0.04
Advertising	0.58	0.46	0.82
Travel and entertainment	1.23	0.87	0.43
Other selling expenses	1.06	0.83	2.21
TOTAL SELLING EXPENSES	10.74	11.43	4.70

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
3.20%	1.86%	4.15%	4.41%	4.07%	3.57%	1.80%
22.57	19.12	27.39	21.02	27.46	24.59	21.39
6.66	3.69	2.91	3.91	3.92	2.50	3.71
2.06	0.78	1.46	1.30	2.36	1.25	2.25
3.11	2.17	2.21	2.35	2.54	1.65	1.01
4.27	5.70	4.43	3.40	2.73	1.61	3.64
41.87	33.32	42.55	36.39	43.08	35.17	33.80
0.72	0.00	0.47	0.37	0.38	0.35	0.21
6.31	7.57	4.92	4.64	4.84	4.87	3.81
0.22	0.00	0.46	0.34	0.32	0.19	0.37
0.35	0.23	0.13	0.36	0.47	0.82	0.05
0.81	0.54	0.74	0.70	0.64	0.92	0.43
3.09	4.44	2.08	2.46	2.08	1.78	1.37
1.74	1.06	1.93	1.98	2.24	1.64	1.39
1.21	3.67	2.98	0.54	0.27	0.03	0.03
14.45	17.51	13.71	11.39	11.24	10.60	7.66
1.98	0.98	2.75	3.61	3.02	2.02	4.56
4.77	3.97	1.64	1.21	3.30	3.14	3.13
1.88	2.23	3.28	3.18	2.46	1.83	2.15
1.83	4.03	0.99	2.16	1.34	2.44	0.79
10.46	11.21	8.66	10.16	10.12	9.43	10.63
24.91	28.72	22.37	21.55	21.36	20.03	18.29
5.38	5.08	4.11	3.66	3.04	3.30	1.69
3.75	1.49	3.17	2.19	3.09	3.07	2.75
0.78	0.49	0.41	0.45	0.34	0.32	0.14
0.92	1.62	0.67	0.87	0.60	0.40	1.22
0.70	1.22	0.17	(0.04)	0.60	1.11	0.36
0.88	0.29	0.64	0.56	0.62	0.44	0.34
0.80	0.53	0.73	0.54	1.33	1.36	0.70
0.21	0.25	0.09	0.10	0.30	0.24	0.11
0.87	0.89	0.71	0.86	0.67	0.33	0.25
2.92	1.67	3.88	3.07	2.52	1.72	3.59
17.21	13.53	14.58	12.26	13.11	12.29	11.15
1.22	0.00	1.57	1.55	1.99	2.17	2.81
3.47	2.95	4.95	8.52	3.58	4.19	12.36
0.43	0.00	0.87	1.61	1.45	0.94	1.46
0.30	0.21	0.30	0.58	0.38	0.26	0.73
0.41	0.59	0.45	0.80	0.33	0.35	0.95
0.97	0.35	0.44	0.71	0.30	0.19	0.52
1.22	0.47	1.31	0.86	1.37	1.15	1.23
0.30	0.14	0.79	0.88	0.85	1.23	3.94
8.32	4.71	10.68	15.51	10.25	10.48	24.00

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	34.68	32.42	34.72
Other chargeable materials	4.97	3.67	5.22
Outside services	6.31	5.70	6.97
TOTAL MATERIALS	45.96	41.79	46.91
FACTORY PAYROLL	23.09	20.60	31.54
FACTORY EXPENSES	12.73	13.21	20.35
TOTAL FACTORY COST OF PRODUCT	81.78	75.60	98.80
GROSS PROFIT	18.22	24.40	1.20
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.89	7.29	6.10
Selling expenses	5.90	7.02	2.65
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	13.79	14.31	8.75
INCOME (LOSS) BEFORE INTEREST EXPENSE	4.43	10.09	(7.55)
Interest expense	1.79	1.41	0.45
OPERATING INCOME (LOSS)	2.64	8.68	(8.00)
Other income	0.58	1.24	1.30
INCOME (LOSS) BEFORE INCOME TAXES	3.22	9.92	(6.70)

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	2.13%	1.52%	1.05%
Film	0.68	0.54	0.70
Plates	0.74	0.53	0.92
Other chargeable materials	1.42	1.08	2.55
TOTAL OTHER CHARGEABLE MATERIALS	4.97	3.67	5.22
OUTSIDE SERVICES			
Composition	0.82	1.32	3.08
Offset preparation	0.13	0.11	0.00
Printing	2.40	3.25	1.13
Binding	0.54	0.26	0.29
Other outside services	2.42	0.76	2.47
TOTAL OUTSIDE SERVICES	6.31	5.70	6.97

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
31.30	36.67	34.04	29.65	37.32	33.29	39.60
5.39	5.14	4.13	1.41	5.67	5.70	4.36
5.13	4.61	8.10	7.24	5.61	4.39	5.42
41.82	46.42	46.27	38.30	48.60	43.38	49.38
24.49	18.01	22.77	22.55	21.80	19.71	17.14
14.24	14.99	12.11	13.81	11.05	11.22	9.18
80.55	79.42	81.15	74.66	81.45	74.31	75.70
19.45	20.58	18.85	25.34	18.55	25.69	24.30
10.22	7.24	7.65	7.48	6.77	7.07	6.07
5.04	2.74	6.07	9.89	5.35	6.05	11.94
15.26	9.98	13.72	17.37	12.12	13.12	18.01
4.19	10.60	5.13	7.97	6.43	12.57	6.29
2.64	1.19	1.22	0.82	2.12	2.34	1.18
1.55	9.41	3.91	7.15	4.31-	10.23	5.11
0.33	1.07	0.90	1.84	0.36	0.56	0.42
1.88	10.48	4.81	8.99	4.67	10.79	5.53
2.32%	1.55%	1.74%	0.53%	2.89%	2.91%	1.62%
0.94	0.53	0.64	0.16	0.66	1.10	0.14
0.67	0.39	0.64	0.54	1.11	0.93	0.20
1.46	2.67	1.11	0.18	1.01	0.76	2.40
5.39	5.14	4.13	1.41	5.67	5.70	4.36
1.78	4.23	0.06	0.03	0.26	0.43	0.00
0.02	0.00	0.16	0.00	0.25	0.36	0.16
2.75	0.38	3.37	6.50	1.20	1.21	2.21
0.27	0.00	0.59	0.00	0.66	0.86	1.10
0.31	0.00	3.92	0.71	3.24	1.53	1.95
5.13	4.61	8.10	7.24	5.61	4.39	5.42

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.03%	2.20%	2.74%
Direct wages	14.47	12.68	24.78
General factory salaries and wages	2.23	1.99	0.75
Packing, shipping and delivery wages	1.00	0.69	0.56
Payroll taxes	1.36	1.21	1.80
Employee benefits	2.00	1.83	0.91
TOTAL FACTORY PAYROLL	23.09	20.60	31.54
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.27	0.16	0.00
Depreciation - other	2.72	3.19	1.37
Taxes - real estate	0.21	0.12	0.51
Taxes - other	0.15	0.31	0.04
Insurance	0.41	0.47	0.54
Building rent	1.49	1.50	4.52
Utilities - heat, light, etc.	1.09	0.99	1.36
Equipment rental	0.99	0.57	4.72
Total Fixed Expenses	7.33	7.31	13.56
Other Expenses			
Factory supplies and expense	1.57	1.55	2.27
Packing, shipping and delivery expense	1.63	1.31	0.95
Repairs and maintenance	1.43	1.51	2.52
Other factory expenses	0.77	1.53	1.05
Total Other Expenses	5.40	5.90	6.79
TOTAL FACTORY EXPENSES	12.73	13.21	20.35
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.12	2.13	1.84
Salaries - office	1.84	1.41	2.03
Payroll taxes	0.26	0.24	0.16
Employee benefits	0.40	0.47	0.06
Bad debts	0.25	0.33	0.16
Office supplies and expenses	0.38	0.28	0.44
Professional fees	0.51	0.50	0.57
Taxes - business	0.10	0.11	0.06
Telephone	0.37	0.39	0.28
Other administrative expenses	1.66	1.43	0.50
TOTAL ADMINISTRATIVE EXPENSES	7.89	7.29	6.10
SELLING EXPENSES			
Salaries - executive	0.89	0.86	0.54
Salaries and commissions - salesmen	2.56	3.63	0.00
Salaries - sales office clerical	0.49	0.66	0.00
Payroll taxes	0.18	0.23	0.01
Employee benefits	0.22	0.33	0.02
Advertising	0.34	0.26	0.43
Travel and entertainment	0.65	0.54	0.20
Other selling expenses	0.57	0.51	1.45
TOTAL SELLING EXPENSES	5.90	7.02	2.65

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
1.98%	1.09%	2.27%	2.88%	2.03%	2.02%	0.86%
13.42	10.52	14.59	12.93	13.96	13.80	11.04
3.53	1.79	1.66	2.56	2.03	1.36	1.82
1.20	0.38	0.80	0.86	1.09	0.68	1.10
1.82	1.16	1.16	1.43	1.31	0.94	0.42
2.54	3.07	2.29	1.89	1.38	0.91	1.90
24.49	18.01	22.77	22.55	21.80	19.71	17.14
0.48	0.00	0.26	0.22	0.18	0.19	0.09
3.56	4.09	2.72	3.08	2.52	2.76	1.81
0.14	0.00	0.24	0.19	0.17	0.11	0.16
0.20	0.14	0.10	0.28	0.25	0.45	0.04
0.47	0.28	0.43	0.53	0.33	0.52	0.24
1.72	2.29	1.11	1.44	1.11	1.04	0.82
1.03	0.62	1.04	1.22	1.16	0.93	0.62
0.63	1.78	1.48	0.38	0.13	0.01	0.01
8.23	9.20	7.38	7.34	5.85	6.01	3.85
1.16	0.51	1.56	2.40	1.58	1.11	2.32
2.72	1.95	0.82	0.68	1.63	1.72	1.51
1.07	1.15	1.77	2.04	1.27	1.04	1.01
1.06	2.18	0.58	1.35	0.72	1.34	0.49
6.01	5.79	4.73	6.47	5.20	5.21	5.33
14.24	14.99	12.11	13.81	11.05	11.22	9.18
3.19	2.71	2.08	2.04	1.54	1.88	0.78
2.24	0.80	1.69	1.45	1.59	1.77	1.69
0.46	0.26	0.22	0.28	0.18	0.18	0.05
0.52	0.82	0.34	0.47	0.32	0.23	0.75
0.40	0.67	0.07	(0.11)	0.33	0.67	0.20
0.52	0.16	0.34	0.34	0.32	0.26	0.19
0.49	0.29	0.39	0.38	0.69	0.80	0.44
0.12	0.14	0.05	0.08	0.17	0.13	0.05
0.52	0.51	0.37	0.49	0.34	0.19	0.11
1.76	0.88	2.10	2.06	1.29	0.96	1.81
10.22	7.24	7.65	7.48	6.77	7.07	6.07
0.75	0.00	0.87	1.00	1.02	1.24	1.27
2.09	1.72	2.87	5.48	1.92	2.47	6.63
0.26	0.00	0.53	1.08	0.77	0.53	0.67
0.18	0.12	0.17	0.34	0.20	0.15	0.29
0.28	0.35	0.24	0.42	0.18	0.20	0.39
0.16	0.20	0.24	0.39	0.16	0.11	0.28
0.72	0.28	0.70	0.58	0.67	0.67	0.57
0.18	0.07	0.45	0.60	0.43	0.68	1.84
5.04	2.74	6.07	9.89	5.35	6.05	11.94

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	4.97%	16.07%	(1.50)%
Receivables	30.25	25.35	56.61
Inventories	16.23	11.03	9.06
Other current assets	4.28	3.69	0.94
TOTAL CURRENT ASSETS	55.73	56.14	65.11
FIXED ASSETS			
Real estate	9.10	4.75	0.00
Less: Accumulated depreciation	2.39	1.33	0.00
	6.71	3.42	0.00
Machinery and equipment	61.94	58.71	40.70
Less: Accumulated depreciation	32.31	24.38	24.44
	29.63	34.33	16.26
Other fixed assets	8.58	6.01	4.36
Less: Accumulated depreciation	4.38	3.59	1.27
	4.20	2.42	3.09
NET FIXED ASSETS	40.54	40.17	19.35
OTHER ASSETS	3.73	3.69	15.54
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	12.44	7.87	4.48
Accounts payable	18.29	9.28	34.55
Other current liabilities	9.46	7.83	6.48
TOTAL CURRENT LIABILITIES	40.19	24.98	45.51
LONG-TERM LIABILITIES	25.44	27.80	8.14
TOTAL LIABILITIES	65.63	52.78	53.65
SHAREHOLDERS' AND PROPRIETORS' EQUITY	34.37	47.22	46.35
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.39	2.25	1.43
QUICK RATIO	0.98	1.81	1.23
TOTAL LIABILITIES TO EQUITY	1.91	1.12	1.16
LONG-TERM LIABILITIES TO EQUITY	0.74	0.59	0.18
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.52	0.42	0.60

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
5.76%	17.32%	7.68%	23.78%	4.04%	4.97%	1.18%
26.34	18.54	27.11	23.68	30.60	32.06	31.42
15.66	9.84	19.19	13.04	13.13	9.14	22.26
3.23	0.74	7.06	5.24	3.64	3.61	2.67
50.99	46.44	61.04	65.74	51.41	49.78	57.53
8.47	0.00	12.85	2.19	7.32	11.34	10.60
3.10	0.00	3.21	1.74	1.65	1.67	1.46
5.37	0.00	9.64	0.45	5.67	9.67	9.14
76.13	82.00	59.09	51.31	62.72	53.04	42.42
40.01	30.61	34.28	24.07	27.61	20.63	21.64
36.12	51.39	24.81	27.24	35.11	32.41	20.78
11.47	3.18	7.11	8.83	7.26	4.16	11.50
6.59	1.16	3.84	6.08	3.62	1.90	3.93
4.88	2.02	3.27	2.75	3.64	2.26	7.57
46.37	53.41	37.72	30.44	44.42	44.34	37.49
2.64	0.15	1.24	3.82	4.17	5.88	4.98
100.00	100.00	100.00	100.00	100.00	100.00	100.00
19.21	8.38	9.36	9.69	11.87	5.09	9.63
14.31	10.66	19.85	9.28	19.50	8.37	9.72
7.39	4.54	8.97	7.36	12.45	10.65	11.24
40.91	23.58	38.18	26.33	43.82	24.11	30.59
28.84	20.34	15.21	11.32	39.53	54.75	22.77
69.75	43.92	53.39	37.65	83.35	78.86	53.36
30.25	56.08	46.61	62.35	16.65	21.14	46.64
100.00	100.00	100.00	100.00	100.00	100.00	100.00
1.25	1.97	1.60	2.50	1.17	2.06	1.88
0.86	1.55	1.10	2.00	0.87	1.69	1.15
2.31	0.78	1.15	0.60	5.01	3.73	1.14
0.95	0.36	0.33	0.18	2.37	2.59	0.49
0.53	0.37	0.58	0.47	0.44	0.39	0.51

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 40,162	$ 54,231	$ 23,801
Average assets per factory employee (Excluding Executives)	56,799	77,954	30,479
Average net worth per employee - All employees	14,900	27,577	11,651
Average gross plant investment per factory employee (Excluding Executives)	43,202	49,769	16,411
Net worth percentage of fixed assets	144.54%	160.89%	774.13%
EMPLOYEES			
Percent factory - All employees	79.29%	77.41%	86.67%
Percent administrative - All employees	11.22	11.31	12.22
Percent sales - All employees	9.49	11.28	1.11
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 84,968	$ 93,196	$ 63,052
Sales per factory employee	109,880	122,050	73,878
Sales less material per factory employee	58,486	70,416	38,693
Sales per administrative employee	861,833	873,118	241,979
EXCLUDING EXECUTIVES			
Sales per employee - All employees	93,669	102,456	70,421
Sales per factory employee	117,567	129,575	79,084
Sales less material per factory employee	62,609	74,955	41,516
SALES PER SALESMAN	1,131,890	1,134,137	0
SALES TO CURRENT ASSETS	442%	390%	457%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	32.05%	30.56%	36.20%
Factory payroll percentage of gross plant investment	65.24	54.19	74.65
Payroll per employee - All employees	$ 26,216	$ 27,642	$ 22,194
Payroll per factory employee	23,593	24,210	22,200
Payroll per administrative employee	34,986	36,384	13,870
Payroll per sales employee	35,655	45,125	13,097
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 20,212	$ 20,745	$ 19,259
Payroll per factory employee	19,232	19,139	19,848
Payroll per administrative employee	16,970	16,350	9,668
Payroll per sales employee	28,547	35,323	0
EXECUTIVE PAYROLL			
Payroll per executive - All executives	49,004	56,833	29,279
Payroll per factory executive	34,765	49,650	29,574
Payroll per administrative executive	68,086	62,230	22,795
Payroll per sales executive	47,357	75,447	12,345
RECEIVABLES			
Collection period	50.6	54.5	73.6
PROFIT			
Gross profit percentage of sales	18.22%	24.40%	1.20%
Average gross profit per factory employee	$ 23,163	$ 32,555	$ 2,694
Income (loss) before taxes percentage of sales	3.22%	9.92%	(6.70)%
Average income (loss) before taxes per employee	$ 3,327	$ 436	$ (3,940)

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 37,605	$ 46,382	$ 42,827	$ 57,628	$ 41,872	$ 54,936	$ 46,745
52,460	57,701	63,364	92,553	54,908	71,989	73,417
12,212	26,313	22,320	41,793	7,159	9,464	22,577
47,434	49,022	46,711	52,618	40,361	46,470	47,008
73.18%	113.78%	158.99%	277.19%	38.87%	37.24%	130.03%
78.36%	83.62%	78.54%	71.64%	82.52%	80.94%	70.11%
14.32	11.38	10.78	11.33	9.05	11.25	8.56
7.32	5.00	10.68	17.03	8.43	7.81	21.33
$ 79,411	$105,144	$ 82,129	$ 81,180	$ 94,045	$ 101,254	$ 102,347
102,293	126,240	107,130	116,440	114,964	126,738	154,603
59,076	68,223	56,888	69,795	60,063	72,706	72,413
574,473	942,970	870,243	808,110	1,087,968	913,225	1,539,596
87,856	114,677	91,129	90,967	103,261	109,626	110,423
108,192	130,831	115,974	126,711	123,775	132,558	162,656
62,674	70,918	61,640	76,223	64,633	75,956	75,822
728,010	0	1,059,518	1,258,712	1,621,895	1,009,561	547,537
470%	510%	395%	298%	488%	431%	374%
34.43%	24.78%	31.79%	35.10%	29.52%	28.36%	29.67%
64.38	48.16	55.04	57.10	79.23	54.34	55.46
$ 26,069	$ 26,322	$ 25,391	$ 27,397	$ 27,847	$ 28,849	$ 27,868
23,865	23,117	23,020	24,859	24,842	24,073	22,246
33,885	42,681	38,533	33,137	38,344	36,516	33,365
24,171	24,208	37,544	42,870	49,118	62,076	43,859
$ 19,224	$ 17,725	$ 19,198	$ 20,970	$ 22,038	$ 22,457	$ 22,169
18,840	16,884	18,415	19,513	20,855	20,143	18,137
16,841	15,408	15,991	13,650	20,066	20,577	17,500
19,229	19,006	33,573	36,071	37,352	45,203	37,362
48,024	48,018	46,215	43,759	57,052	80,142	53,672
24,144	24,038	34,159	35,522	46,368	85,561	40,579
55,646	50,999	75,090	59,767	88,071	73,002	61,656
19,558	0	42,641	60,234	85,877	146,031	66,407
43.2	30.5	50.0	56.5	51.5	67.8	55.0
19.45%	20.58%	18.85%	25.34%	18.55%	25.69%	24.30%
$ 22,211	$ 27,641	$ 22,990	$ 32,273	$ 24,134	$ 36,207	$ 39,262
1.88%	10.48%	4.81%	8.99%	4.67%	10.79%	5.53%
$ 2,424	$ 11,100	$ 4,007	$ 7,329	$ 4,717	$ 11,136	$ 5,449

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES TO $1.5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.54	$13.45	$ (0.40)
Receivables	13.41	14.47	19.19
Inventories	7.38	6.15	4.05
Marketable securities	0.92	2.84	0.00
Other current assets	1.14	0.90	0.31
	26.39	37.81	23.15
Plant Investment:			
Land and building	5.01	3.21	0.00
Machinery and equipment	28.95	33.42	16.87
Other fixed assets	3.92	3.01	1.65
	37.88	39.64	18.52
Non-Current Assets	1.82	1.84	8.26
TOTAL INVESTMENT	66.09	79.29	49.93
INVESTMENT TURNOVER PER $100 OF SALES	151.31%	126.12%	200.28%
EARNINGS			
Cost of Product	$81.78	$75.60	$ 98.80
Selling Expenses	5.90	7.02	2.65
Administrative Expenses	7.89	7.29	6.10
	95.57	89.91	107.55
Income (Loss) Before Interest, Other Income and Taxes	4.43	10.09	(7.55)
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME (LOSS)	6.70%	12.73%	(15.12)%

** Sample insufficient for Profit Leaders.

SALES FROM $1.5 TO $5 MILLION		SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
$ 2.66	$ 7.63	$ 7.60	$24.40	$ 1.86	$ 2.75	$ 0.57
11.61	8.18	13.27	15.13	13.53	17.76	14.68
7.12	4.34	9.01	7.90	5.64	5.02	10.13
0.46	0.00	2.09	6.16	0.22	0.30	1.11
0.84	0.33	1.73	0.64	1.32	1.64	0.28
22.69	20.48	33.70	54.23	22.57	27.47	26.77
4.85	0.00	7.95	2.98	3.01	5.65	5.13
33.41	36.18	31.75	35.86	27.26	28.33	20.13
4.98	1.40	3.48	4.37	3.20	2.26	5.85
43.24	37.58	43.18	43.21	33.47	36.24	31.11
1.24	0.06	0.53	1.63	2.05	3.31	2.34
67.17	58.12	77.41	99.07	58.09	67.02	60.22
148.88%	172.06%	129.18%	100.94%	172.15%	149.21%	166.06%
$80.55	$79.42	$81.15	$74.66	$81.45	$74.31	$75.70
5.04	2.74	6.07	9.89	5.35	6.05	11.94
10.22	7.24	7.65	7.48	6.77	7.07	6.07
95.81	89.40	94.87	92.03	93.57	87.43	93.71
4.19	10.60	5.13	7.97	6.43	12.57	6.29
6.24%	18.24%	6.63%	8.04%	11.07%	18.76%	10.45%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	40.06	35.84	58.73
FACTORY EXPENSES	25.00	23.89	19.49
TOTAL FACTORY COST OF PRODUCT	65.06	59.73	78.22
GROSS PROFIT	34.94	40.27	21.78
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	14.58	12.31	13.62
Selling expenses	9.19	9.75	0.81
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.77	22.06	14.43
INCOME BEFORE INTEREST EXPENSE	11.17	18.21	7.35
Interest expense	4.07	3.03	2.74
OPERATING INCOME	7.10	15.18	4.61
Other income	0.55	0.83	1.28
INCOME BEFORE INCOME TAXES	7.65	16.01	5.89

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
49.30	45.63	41.54	33.86
22.09	17.54	24.09	20.63
71.39	63.17	65.63	54.49
28.61	36.83	34.37	45.51
16.58	13.20	13.40	13.41
6.77	7.22	17.50	15.12
23.35	20.42	30.90	28.53
5.26	16.41	3.47	16.98
4.66	3.75	2.16	1.79
0.60	12.66	1.31	15.19
0.78	0.55	1.95	3.57
1.38	13.21	3.26	18.76

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	3.51%	4.15%	2.24%
Direct wages	25.78	21.51	27.41
General factory salaries and wages	3.33	3.70	15.75
Packing, shipping and delivery wages	2.23	1.26	1.38
Payroll taxes	2.60	2.50	2.60
Employee benefits	2.61	2.72	9.35
TOTAL FACTORY PAYROLL	40.06	35.84	58.73
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.70	0.25	0.28
Depreciation - other	5.64	5.34	5.50
Taxes - real estate	0.28	0.11	0.62
Taxes - other	0.30	0.41	0.17
Insurance	0.84	1.10	0.96
Building rent	2.57	3.31	1.91
Utilities - heat, light, etc.	1.95	1.43	1.58
Equipment rental	1.89	1.79	2.78
Total Fixed Expenses	14.17	13.74	13.80
Other Expenses			
Factory supplies and expense	2.96	2.60	1.10
Packing, shipping and delivery expense	4.15	3.01	0.95
Repairs and maintenance	2.75	2.89	3.39
Other factory expenses	0.97	1.65	0.25
Total Other Expenses	10.83	10.15	5.69
TOTAL FACTORY EXPENSES	25.00	23.89	19.49
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.11	3.92	6.29
Salaries - office	3.34	2.59	2.52
Payroll taxes	0.52	0.48	0.56
Employee benefits	0.61	0.91	0.77
Bad debts	0.49	0.58	0.23
Office supplies and expenses	0.85	0.44	0.98
Professional fees	0.93	1.01	0.82
Taxes - business	0.19	0.10	0.00
Telephone	0.88	0.50	0.32
Other administrative expenses	2.66	1.78	1.13
TOTAL ADMINISTRATIVE EXPENSES	14.58	12.31	13.62
SELLING EXPENSES			
Salaries - executive	1.64	1.81	0.00
Salaries and commissions - salesmen	3.60	4.56	0.51
Salaries - sales office clerical	0.61	0.86	0.00
Payroll taxes	0.33	0.36	0.00
Employee benefits	0.23	0.29	0.04
Advertising	0.60	0.19	0.04
Travel and entertainment	1.62	1.09	0.14
Other selling expenses	0.56	0.59	0.08
TOTAL SELLING EXPENSES	9.19	9.75	0.81

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.05%	4.89%	4.36%	3.39%
33.07	29.57	26.45	20.38
5.19	2.66	3.14	2.22
1.75	2.37	1.65	0.70
3.43	3.01	2.00	1.96
4.81	3.13	3.94	5.21
49.30	45.63	41.54	33.86
0.11	0.10	0.34	0.32
5.20	4.22	4.22	5.34
0.00	0.25	0.63	0.45
0.78	0.37	0.13	0.30
0.26	0.48	0.71	0.27
3.65	1.91	3.16	1.80
2.23	2.24	2.23	2.03
0.36	0.14	2.40	0.18
12.59	9.71	13.82	10.69
1.79	2.54	3.29	2.27
2.95	1.98	2.22	1.43
2.38	2.15	2.67	1.99
2.38	1.16	2.09	4.25
9.50	7.83	10.27	9.94
22.09	17.54	24.09	20.63
3.67	3.26	2.96	4.16
3.34	2.41	3.41	1.82
0.57	0.51	0.28	0.39
0.75	0.38	0.96	1.02
0.22	0.70	0.52	0.82
0.43	0.32	0.52	0.54
1.50	1.69	0.57	0.41
0.41	0.69	0.09	0.15
0.42	0.53	0.55	1.17
5.27	2.71	3.54	2.93
16.58	13.20	13.40	13.41
1.44	2.54	2.07	0.67
2.73	2.21	8.02	8.96
0.50	1.10	1.60	1.28
0.18	0.33	0.48	0.53
0.13	0.28	0.94	1.23
0.29	0.09	0.88	0.91
0.61	0.37	1.19	0.56
0.89	0.30	2.32	0.98
6.77	7.22	17.50	15.12

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIAL			
Paper	33.59	33.19	40.12
Other chargeable materials	6.10	4.18	6.07
Outside services	7.35	2.86	2.67
TOTAL MATERIALS	47.04	40.23	48.86
FACTORY PAYROLL	20.93	21.62	30.03
FACTORY EXPENSES	13.31	14.20	9.98
TOTAL FACTORY COST OF PRODUCT	81.28	76.05	88.87
GROSS PROFIT	18.72	23.95	11.13
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	7.81	7.39	6.95
Selling expenses	5.00	6.34	0.42
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	12.81	13.73	7.37
INCOME BEFORE INTEREST EXPENSE	5.91	10.22	3.76
Interest expense	2.14	1.73	1.40
OPERATING INCOME (LOSS)	3.77	8.49	2.36
Other income	0.36	0.72	0.66
INCOME BEFORE INCOME TAXES	4.13	9.21	3.02

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	3.41%	2.61%	2.33%
Film	0.72	0.75	.26
Plates	0.83	0.82	1.08
Other chargeable materials	1.14	0.00	1.40
TOTAL OTHER CHARGEABLE MATERIALS	6.10	4.18	6.07
OUTSIDE SERVICES			
Composition	0.59	0.35	0.00
Offset preparation	0.16	0.35	0.26
Printing	2.10	1.20	0.46
Binding	0.64	0.13	0.41
Other outside services	3.86	0.83	1.54
TOTAL OUTSIDE SERVICES	7.35	2.86	2.67

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
33.53	39.02	34.35	30.54
4.47	3.38	3.51	2.39
4.75	1.78	5.84	10.09
42.75	44.18	43.70	43.02
28.90	25.27	23.50	19.10
12.67	9.75	13.17	11.93
84.32	79.20	80.37	74.05
15.68	20.80	19.63	25.95
9.51	7.57	7.81	7.53
3.69	4.13	9.71	8.92
13.20	11.70	17.52	16.45
2.48	9.10	2.11	9.50
2.71	2.15	1.22	0.94
(0.23)	6.95	0.89	8.56
0.34	0.22	1.08	2.05
0.11	7.17	1.97	10.61
1.27%	0.81%	0.66%	0.37%
1.12	0.64	0.35	0.08
0.99	1.26	0.37	0.08
1.09	0.67	2.13	1.86
4.47	3.38	3.51	2.39
1.92	0.13	1.21	2.94
0.16	0.00	0.08	0.00
0.50	0.87	3.53	6.88
1.06	0.57	0.05	0.00
1.11	0.21	0.97	0.27
4.75	1.78	5.84	10.09

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.88%	2.67%	1.16%
Direct wages	13.39	13.00	14.14
General factory salaries and wages	1.76	2.17	7.91
Packing, shipping and delivery wages	1.14	0.79	0.71
Payroll taxes	1.40	1.49	1.33
Employee benefits	1.36	1.50	4.78
TOTAL FACTORY PAYROLL	20.93	21.62	30.03
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.42	0.17	0.14
Depreciation - other	3.02	3.30	2.82
Taxes - real estate	0.16	0.07	0.32
Taxes - other	0.18	0.29	0.09
Insurance	0.47	0.73	0.49
Building rent	1.36	1.87	0.97
Utilities - heat, light, etc.	1.05	0.95	0.81
Equipment rental	0.93	0.94	1.44
Total Fixed Expenses	7.59	8.32	7.08
Other Expenses			
Factory supplies and expense	1.60	1.69	0.56
Packing, shipping and delivery expense	2.16	1.55	0.48
Repairs and maintenance	1.45	1.78	1.74
Other factory expenses	0.51	0.86	0.12
Total Other Expenses	5.72	5.88	2.90
TOTAL FACTORY EXPENSES	13.31	14.20	9.98
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.18	2.19	3.19
Salaries - office	1.80	1.65	1.30
Payroll taxes	0.29	0.29	0.29
Employee benefits	0.32	0.49	0.40
Bad debts	0.25	0.27	0.12
Office supplies and expenses	0.46	0.28	0.50
Professional fees	0.51	0.66	0.42
Taxes - business	0.11	0.07	0.00
Telephone	0.48	0.31	0.16
Other administrative expenses	1.41	1.18	0.57
TOTAL ADMINISTRATIVE EXPENSES	7.81	7.39	6.95
SELLING EXPENSES			
Salaries - executive	0.85	1.14	0.00
Salaries and commissions - salesmen	2.03	3.01	0.27
Salaries - sales office clerical	0.35	0.61	0.00
Payroll taxes	0.18	0.22	0.00
Employee benefits	0.13	0.17	0.02
Advertising	0.35	0.13	0.02
Travel and entertainment	0.83	0.70	0.07
Other selling expenses	0.28	0.36	0.04
TOTAL SELLING EXPENSES	5.00	6.34	0.42

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
0.56%	2.73%	2.53%	1.92%
19.32	16.34	15.00	11.46
2.95	1.44	1.79	1.39
0.94	1.47	0.90	0.38
2.08	1.69	1.07	1.08
3.05	1.60	2.21	2.87
28.90	25.27	23.50	19.10
0.06	0.05	0.18	0.15
2.99	2.33	2.37	3.03
0.00	0.12	0.32	0.26
0.45	0.18	0.08	0.19
0.16	0.28	0.40	0.14
2.03	1.10	1.76	1.00
1.29	1.21	1.19	1.08
0.23	0.09	1.16	0.12
7.21	5.36	7.46	5.97
1.03	1.43	1.83	1.36
1.73	1.09	1.21	0.83
1.34	1.16	1.43	1.15
1.36	0.71	1.24	2.62
5.46	4.39	5.71	5.96
12.67	9.75	13.17	11.93
2.18	1.89	1.72	2.27
1.93	1.39	2.05	1.04
0.34	0.29	0.16	0.21
0.43	0.20	0.56	0.52
0.12	0.36	0.31	0.48
0.25	0.18	0.30	0.30
0.87	0.96	0.35	0.22
0.22	0.41	0.05	0.09
0.25	0.29	0.30	0.62
2.92	1.60	2.01	1.78
9.51	7.57	7.81	7.53
0.77	1.51	1.11	0.38
1.51	1.28	4.56	5.39
0.27	0.58	0.87	0.75
0.10	0.19	0.24	0.30
0.07	0.15	0.49	0.66
0.15	0.05	0.51	0.48
0.34	0.19	0.67	0.33
0.48	0.18	1.26	0.63
3.69	4.13	9.71	8.92

BALANCE SHEET

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	3.95%	11.99%	(0.90)%
Receivables	32.47	27.28	30.33
Inventories	13.08	8.36	16.72
Other current assets	5.34	6.04	3.71
TOTAL CURRENT ASSETS	54.84	53.67	49.86
FIXED ASSETS			
Real estate	8.12	7.31	24.12
Less: Accumulated depreciation	2.92	2.03	1.78
	5.20	5.28	22.34
Machinery and equipment	68.24	57.81	89.55
Less: Accumulated depreciation	33.12	20.14	67.24
	35.12	37.67	22.31
Other fixed assets	7.19	3.91	6.68
Less: Accumulated depreciation	4.18	1.69	1.19
	3.01	2.22	5.49
NET FIXED ASSETS	43.33	45.17	50.14
OTHER ASSETS	1.83	1.16	0.00
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	9.78	6.87	22.88
Accounts payable	19.48	8.02	22.15
Other current liabilities	9.61	9.68	9.82
TOTAL CURRENT LIABILITIES	38.87	24.57	54.85
LONG-TERM LIABILITIES	32.37	36.59	18.89
TOTAL LIABILITIES	71.24	61.16	73.74
SHAREHOLDERS' AND PROPRIETORS' EQUITY	28.76	38.84	26.26
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.41	2.18	0.91
QUICK RATIO	1.07	1.84	0.60
TOTAL LIABILITIES TO EQUITY	2.48	1.57	2.81
LONG-TERM LIABILITIES TO EQUITY	1.13	0.94	0.72
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.49	0.35	0.75

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
1.94%	9.26%	8.18%	28.23%
29.06	23.51	29.87	20.30
16.28	13.87	19.34	15.01
2.03	5.21	2.16	0.65
49.31	51.85	59.55	64.19
2.06	20.15	8.49	0.00
0.60	0.00	2.88	0.00
1.46	20.15	5.61	0.00
53.03	30.94	54.47	61.04
16.45	9.21	31.47	32.67
36.58	21.73	23.00	28.37
6.17	3.63	11.59	9.28
2.29	3.15	6.36	7.04
3.88	0.48	5.23	2.24
41.92	42.36	33.84	30.61
8.77	5.79	6.61	5.20
100.00	100.00	100.00	100.00
45.73	6.25	7.23	12.15
21.07	11.13	14.51	9.27
8.85	10.45	8.72	3.01
75.65	27.83	30.46	24.43
25.32	49.60	14.57	6.75
100.97	77.43	45.03	31.18
(0.97)	22.57	54.97	68.82
100.00	100.00	100.00	100.00
0.65	1.86	1.96	2.63
0.44	1.36	1.32	2.01
(104.09)	3.43	0.82	0.45
(26.10)	2.20	0.27	0.10
0.31	0.30	0.58	0.54

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 40,269	$ 55,862	$ 29,115
Average assets per factory employee (Excluding Executives)	53,510	75,449	33,642
Average net worth per employee - All employees	12,644	24,273	8,361
Average gross plant investment per factory employee (Excluding Executives)	42,635	48,692	39,936
Net worth percentage of fixed assets	76.79%	100.80%	51.87%
EMPLOYEES			
Percent factory - All employees	82.00%	81.59%	88.03%
Percent administrative - All employees	11.13	11.72	11.44
Percent sales - All employees	6.87	6.69	0.53
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 87,656	$ 91,186	$ 72,713
Sales per factory employee	107,879	112,624	83,055
Sales less material per factory employee	57,234	66,832	42,378
Sales per administrative employee	950,827	853,099	694,185
EXCLUDING EXECUTIVES			
Sales per employee - All employees	95,993	99,572	79,161
Sales per factory employee	114,799	119,033	84,787
Sales less material per factory employee	60,989	70,969	43,269
SALES PER SALESMAN	1,255,565	1,308,970	936,625
SALES TO CURRENT ASSETS	476%	417%	558%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	29.06%	31.38%	35.49%
Factory payroll percentage of gross plant investment	54.74	54.47	69.55
Payroll per employee - All employees	$ 25,201	$ 27,414	$ 25,830
Payroll per factory employee	22,138	23,057	24,837
Payroll per administrative employee	38,901	37,808	33,155
Payroll per sales employee	40,510	52,784	22,854
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 19,368	$ 20,264	$ 19,285
Payroll per factory employee	18,345	18,283	19,383
Payroll per administrative employee	17,510	16,511	15,329
Payroll per sales employee	32,432	40,612	21,650
EXECUTIVE PAYROLL			
Payroll per executive - All executives	54,465	67,723	43,501
Payroll per factory executive	37,285	59,193	27,286
Payroll per administrative executive	83,900	73,532	47,484
Payroll per sales executive	53,804	113,321	0
RECEIVABLES			
Collection period	52.2	60.3	44.0
PROFIT			
Gross profit percentage of sales	18.72%	23.95%	11.13%
Average gross profit per factory employee	$ 22,331	$ 30,001	$ 9,506
Income before taxes percentage of sales	4.13%	9.21%	3.02%
Average income before taxes per employee	$ 3,842	$ 8,742	$ 2,140

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 38,866	$ 56,776	$ 41,423	$ 53,827
47,390	84,872	66,695	88,518
3,160	13,196	23,666	38,446
28,098	55,647	48,304	54,597
8.63%	64.46%	321.35%	296.26%
84.01%	77.36%	72.05%	68.91%
10.19	11.38	11.09	11.40
5.80	11.26	16.86	19.69
$ 78,053	$ 99,198	$ 82,247	$ 99,693
92,945	128,260	119,985	144,376
52,087	71,615	64,392	81,448
819,614	988,541	783,729	888,066
82,215	112,971	91,474	111,942
94,932	141,636	129,527	155,632
53,151	79,231	69,540	87,825
1,309,690	2,109,881	468,843	272,653
446%	373%	368%	341%
36.50%	32.74%	35.27%	30.63%
106.12	137.47	54.37	54.75
$ 26,588	$ 32,036	$ 26,970	$ 29,916
24,570	32,413	24,034	27,395
35,407	32,459	29,832	36,825
38,683	34,602	32,747	37,403
$ 21,131	$ 25,162	$ 20,965	$ 21,883
20,723	27,309	19,106	20,405
19,439	15,653	16,278	15,873
29,595	22,928	26,817	30,462
54,716	47,417	41,766	42,407
23,529	37,188	35,646	38,671
81,152	64,220	45,541	47,194
64,737	65,112	39,238	21,240
55.0	52.0	51.6	41.2
15.68%	20.80%	19.63%	25.95%
$ 16,455	$ 29,572	$ 28,673	$ 40,034
0.11%	7.17%	1.97%	10.61%
$ 1,372	$ 7,173	$ 2,729	$ 10,548

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING		NEWSPAPER**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.50	$12.07	$(0.63)
Receivables	13.95	15.96	11.29
Inventories	5.40	4.45	6.34
Marketable securities	1.63	5.11	0.35
Other current assets	1.07	1.28	0.86
	25.55	38.87	18.71
Plant Investment:			
Land and building	3.91	5.08	12.54
Machinery and equipment	30.74	35.40	34.58
Other fixed assets	2.97	2.04	2.00
	37.62	42.52	49.12
Non-Current Assets	0.79	0.65	0.00
TOTAL INVESTMENT	63.96	82.04	67.83
INVESTMENT TURNOVER PER $100 OF SALES	156.35%	121.89%	147.43%
EARNINGS			
Cost of Product	$81.28	$76.05	$88.87
Selling Expenses	5.00	6.34	0.42
Administrative Expenses	7.81	7.39	6.95
	94.09	89.78	96.24
Income Before Interest, Other Income, and Taxes	5.91	10.22	3.76
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.24%	12.46%	5.54%

** Sample insufficient for Profit Leaders.

BOOK**	DIRECTORY**	NO PREDOMINANT SPECIALTY	
ALL FIRMS	ALL FIRMS	ALL FIRMS	PROFIT LEADERS
$ 0.85	$ 4.18	$ 5.42	$20.25
14.31	13.52	13.71	11.01
7.82	6.65	10.36	8.70
0.00	0.00	0.34	0.00
0.98	2.47	0.78	0.36
23.96	26.82	30.61	40.32
1.16	16.49	4.84	0.00
25.30	19.34	28.86	30.69
2.95	2.97	5.75	4.34
29.41	38.80	39.45	35.03
4.56	3.15	3.30	2.20
57.93	68.77	73.36	77.55
172.62%	145.41%	136.31%	128.95%
$84.32	$79.20	$80.37	$74.05
3.69	4.13	9.71	8.92
9.51	7.57	7.81	7.53
97.52	90.90	97.89	90.50
2.48	9.10	2.11	9.50
4.28%	13.23%	2.88%	12.25%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME (LOSS)
TOTAL - ALL FIRMS	43	$ 4,862,000	$10,165,000	$ 469,000
TOTAL - PROFIT LEADERS*	9	5,358,000	8,626,000	830,000
BY SIZE OF FIRM				
ALL FIRMS				
0-$1,500,000	3	341,000	887,000	(45,000)
$1,500,000-$5,000,000	12	1,424,000	2,858,000	68,000
$5,000,000-$10,000,000	13	4,098,000	7,218,000	343,000
$10,000,000-$20,000,000	11	5,880,000	13,322,000	590,000
Over $20,000,000	4	18,257,000	39,944,000	2,137,000
PROFIT LEADERS				
$1,500,000-$5,000,000	2	1,526,000	3,455,000	341,000
$5,000,000-$10,000,000	4	5,966,000	7,516,000	658,000
$10,000,000-$20,000,000	3	7,103,000	13,554,000	1,384,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	20	4,530,000	9,309,000	427,000
Newspaper	3	2,023,000	4,169,000	138,000
Book	3	4,053,000	7,761,000	370,000
Directory	2	3,526,000	7,308,000	544,000
No Predominant Specialty	13	6,635,000	13,977,000	647,000
PROFIT LEADERS				
Commercial and Advertising	5	6,772,000	10,545,000	960,000
No Predominant Specialty	3	2,691,000	4,590,000	464,000

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages.